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**FOOTE IT NEWS ANALYSIS – Technology employment trends in the
 October 2015 Bureau of Labor Statistics – U.S. Employment Report**

16,300 IT jobs added to U.S. payrolls in October, all in the IT services industry.

**Highest monthly IT job growth since May, pushing average monthly growth
 in 2015 to 13,020 compared to 12,000 in 2014.**

**With the additions of 271,000 jobs, the national unemployment rate
 drops to 5.0 percent, lowest since 2008.**

Vero Beach, FL – Sunday, November 12, 2015. An analysis of Friday’s release of October 2015 U.S. employment numbers by the Bureau of Labor Statistics (BLS) reveals a **net increase of 16,300 IT jobs** across four industry job segments commonly associated with technology professionals.

October job growth was the second highest for any month in 2015, and nearly 6,000 more jobs compared to average growth for August and September. (*see Fig. 1*).

Two IT segments that have been responsible for 91 percent of all IT jobs added to US payrolls in the past twelve months were responsible for all IT jobs added to U.S. payrolls in October. ***Management and Technical Consulting Services*** added 7,000 new jobs, the most since May, and 1,900 more than the monthly average of 5,092 for this segment in 2014. The other job segment, ***Computer Systems Design/Related Services***, gained 9,900 jobs in October: noteworthy for being substantially more than the 7,350 monthly average so far for 2015 and well above the 5,900 monthly average in 2014 for this segment .

The remaining two job segments relating to IT hiring, *Telecommunications* and *Data Processing, Hosting and Related Services* together lost 600 jobs in October following a gain of 1,900 jobs in September. These segments have 1,522 new jobs from January through September. Noteworthy: monthly losses were also recorded in April and August for these two segments combined. .

Discussion

“The October numbers were spectacular for IT professionals--the highest monthly job growth since May. We’re 27 percent above IT job growth for all of 2014 while October job gains beat the average of the prior nine months by 3,644 jobs, or +22 percent. But it was also a great months across the wider spectrum of American jobs: a 50% increase in new jobs over the prior month. That’s nearly 69,000 more jobs added to U.S. payrolls than the monthly average for the first nine months of 2015. The question is this: how long will this last?” asks David Foote, chief analyst at Foote Partners which has been tracking and reporting on IT labor trends since 1997.

“To answer that question, first look at the Department of Labor’s reporting over the last three years. The monthly average for new job growth in IT labor segments was 9,442 in 2012, 10,708 in 2013, and 12,000 in 2014. So far in 2015 that number is 13,000 so this is a trend that’s been steadily building for several years. Month-to-month variability in 2014 ranged from 700 to as high as 19,000 jobs but by the end of that year the average monthly variance was +503 jobs. Total IT job growth for the past twelve months ending October was 169,300 and for the past twenty-four months it’s 293,100. Those are tremendous numbers, not surprising considering that the national unemployment rate is down to 5.0 percent from 5.8 percent at this time last year and 7.2 percent in October 2013.

“With the IT segment numbers in the IT services industries so strong for so long, we’re expecting a continuation of IT employment gains in the last two months of 2015 and into 2016. We base this on a combination of factors”, insists Foote. “More and more large employers are making structural changes in their IT workforces, systematically replacing consultants with full timers, a trend that started gaining traction in 2014 according to our research. Many of these companies laid off or otherwise lost large numbers of full time workers during the economic upheaval and recovery years 2007 to present so they are

essentially returning to their prior full-timer workforce mix. However the biggest difference is they're concentrating the new hires on software engineers, analysts, architects, program and project managers and other IT-business hybrid varieties more so than the so-called traditional tech infrastructure jobs. The possible exception is information security jobs (if you categorize those as infrastructure) which we do in our proprietary labor benchmark research.

“But even with infosec jobs, employers want a different mix of skills along the lines of solid communications, business, and even marketing skills in addition to infosec tech skills, especially cybersecurity, ethical hacking and forensics,” notes Foote. “Taken together, this makes a security professional more of an ‘impact’ player who can help CISOs sell security throughout the organization. These are security pros who can think in business terms and are more adept at thinking about how to translate technology risk to business risk. They help present security as a bottom line value-add enhancement to products and services---something that customers are increasingly reacting to more positively and are willing to pay more for. It’s good timing too since with the cascade of serious data breaches that is now sounding like a drumbeat in mass media. This is an opportune time to push for expanding the security workforce which has been seriously understaffed for decades. The threats to cloud and mobile platforms has increased but so has the threats to legacy systems. We are anticipating greater interest in security hiring in 2015 and also growth in pay in both salaries and security certifications premiums,” predicts Foote.

Industry Highlights – October 2015

- Total **nonfarm payroll employment** increased by 271,000 in October. Over the prior 12 months, employment growth had averaged 230,000 per month. In October, job gains occurred in professional and business services, health care, retail trade, food services and drinking places, and construction.
- Employment in **professional and business services** increased by 78,000 in October, compared with an average gain of 52,000 per month over the prior 12 months. In October, job gains occurred in administrative and support services (+46,000), computer systems design and related services (+10,000), and architectural and engineering services (+8,000).

- **Health care** added 45,000 jobs in October. Within the industry, employment growth continued in ambulatory health care services (+27,000) and in hospitals (+18,000). Over the past year, health care has added 495,000 jobs.
- Employment in **retail trade** rose by 44,000 in October, compared with an average monthly gain of 25,000 over the prior 12 months. In October, job gains occurred in clothing and accessories stores (+20,000), general merchandise stores (+11,000), and automobile dealers (+6,000).
- **Food services and drinking places** added 42,000 jobs in October. Over the year, the industry has added 368,000 jobs.
- **Construction** employment increased by 31,000 in October, following little employment change in recent months. Employment in nonresidential specialty trade contractors rose by 21,000. Over the past 12 months, construction has added 233,000 jobs.
- Employment in **mining** continued to trend down in October (-5,000). The industry has shed 109,000 jobs since reaching a recent employment peak in December 2014.
- Employment in other major industries, including **manufacturing, wholesale trade, transportation and warehousing, information, financial activities, and government**, showed little or no change over the month.

Hiring Trend Charts – IT Employment Segments

October 2015 Employment Situation Summary Report

(U.S. Department of Labor/Bureau of Labor Statistics)

FIGURE 1 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (January 2014 to October 2015)

MONTHLY JOB SITUATION TRENDS – IT Professional Job Segments

(Highlights for four bellwether IT jobs segments)

	2014												2015									
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Nonfarm job loss/gain (month)	144,000	222,000	203,000	304,000	229,000	267,000	243,000	203,000	256,000	261,000	423,000	329,000	201,000	266,000	119,000	221,000	254,000	245,000	223,000	153,000	137,000	271,000
National unemployment rate	6.6%	6.7%	6.7%	6.3%	6.3%	6.1%	6.2%	6.1%	5.9%	5.8%	5.8%	5.6%	5.7%	5.5%	5.5%	5.4%	5.5%	5.3%	5.3%	5.1%	5.1%	5.0%
Professional/Technical Services	20,400	35,400	10,400	25,100	24,700	31,000	24,900	16,800	21,100	20,000	37,500	12,600	32,500	31,800	23,700	20,700	18,800	23,900	26,600	14,500	17,700	26,900
Segment 5: Management/Technical Consulting Services	600	5,300	3,500	5,000	6,800	8,200	2,700	3,000	11,500	4,000	7,300	3,200	3,600	7,100	3,800	6,000	7,000	-1,200	3,300	6,100	900	7,000
Segment 4: Computer Systems Design/Related Services	4,700	5,000	6,100	8,900	6,600	6,900	3,900	1,500	4,900	6,800	6,500	9,000	8,000	5,200	3,900	9,100	10,300	4,400	8,700	7,000	7,000	9,900
Information	0	-16,000	2,000	-3,000	-5,000	9,000	2,000	-3,000	12,000	-4,000	4,000	2,000	6,000	7,000	2,000	3,000	-3,000	7,000	2,000	-7,000	12,000	-1,000
Segment 4: Telecommunications	-10,200	800	2,200	2,900	3,200	200	800	-1,800	4,600	800	2,300	-300	-400	-100	1,400	-1,700	-100	400	1,600	-3,500	600	-400
Segment 5: Data Processing/Hosting/ Related Services	1,800	-900	-900	100	-1,000	1,600	3,700	1,000	1,700	1,300	1,200	-3,000	3,300	1,500	1,500	100	2,700	2,200	1,300	1,600	1,300	-200
Net gain/loss-ALL IT SEGMENTS	-3,100	10,200	10,900	16,900	15,600	16,900	11,100	3,700	22,700	12,900	17,300	8,900	14,500	13,700	10,600	13,500	19,900	5,800	14,900	11,200	9,800	16,300
Net gain/loss-ONLY IT SERVICES SEGMENTS	5,300	10,300	9,600	13,900	13,400	15,100	6,600	4,500	16,400	10,800	13,800	12,200	11,600	12,300	7,700	15,100	17,300	3,200	12,000	13,100	7,900	16,900
Net gain/loss-OTHER IT JOB SEGMENTS	-8,400	-100	1,300	3,000	2,200	1,800	4,500	-800	6,300	2,100	3,500	-3,300	2,900	1,400	2,900	-1,600	2,600	2,600	2,900	-1,900	1,900	-600

Key: Job gains in green
Job losses in red

Source: US Department of Labor/Bureau of Labor Statistics.
Data chart and analysis by Foote Partners LLC

FIGURE 2 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (January 2012 to December 2013)

(Continued) MONTHLY JOB SITUATION TRENDS – IT Professional Job Segments

(Highlights for four bellwether IT jobs segments)

	2012												2013											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Nonfarm job loss/gain (month)	284,000	227,000	143,000	68,000	87,000	64,000	181,000	192,000	132,000	137,000	247,000	219,000	148,000	332,000	138,000	199,000	176,000	172,000	89,000	193,000	175,000	200,000	274,000	84,000
National unemployment rate	8.3%	8.3%	8.2%	8.1%	8.2%	8.2%	8.3%	8.1%	7.8%	7.8%	7.7%	7.8%	7.9%	7.7%	7.6%	7.5%	7.6%	7.6%	7.4%	7.4%	7.2%	7.2%	7.0%	6.7%
Professional/Technical Services	30,300	34,200	13,800	27,500	-4,000	18,200	17,900	26,800	4,900	15,500	15,300	16,900	14,800	26,800	24,600	22,800	18,200	9,800	21,100	10,900	6,300	21,400	17,500	-11,700
Segment 5: Management/Technical Consulting Services	3,000	7,400	5,300	6,400	2,200	8,900	6,300	8,700	-1,800	4,500	0	5,800	11,500	4,400	6,200	5,700	3,200	8,400	6,900	1,700	1,500	7,700	600	3,900
Segment 4: Computer Systems Design/Related Services	1,700	10,200	3,900	7,400	5,300	6,600	7,000	10,600	2,900	6,600	7,100	5,600	4,600	5,800	3,900	3,300	6,000	7,300	4,300	2,400	4,500	3,200	2,700	1,400
Information	13,000	-1,000	-900	-2,000	-2,000	-8,000	11,000	3,000	3,000	1,000	12,000	-9,000	9,000	20,000	5,000	-9,000	3,000	-5,000	9,000	-18,000	4,000	5,000	-1,000	-12,000
Segment 4: Telecommunications	-300	-6,400	-3,600	-3,500	-2,000	-2,100	2,800	-2,300	-400	1,400	300	-1,800	4,900	400	1,800	1,200	1,000	700	3,600	2,700	-2,700	-300	-2,100	1,700
Segment 5: Data Processing/Hosting/Related Services	-1300	1900	-600	-500	-300	0	2,100	1,100	-2,400	0	-600	200	1,100	-800	-500	-500	-400	1,800	3,600	-100	200	-200	-200	500
Net gain/loss-ALL IT SEGMENTS	3,100	13,100	5,000	9,800	5,200	13,400	18,200	18,100	-1,700	12,500	6,800	9,800	22,100	9,800	11,400	9,700	9,800	18,200	18,400	6,700	3,500	10,400	1,000	7,500
Net gain/loss-ONLY IT SERVICES SEGMENTS	4,700	17,600	9,200	13,800	7,500	15,500	13,300	19,300	1,100	11,100	7,100	11,400	16,100	10,200	10,100	9,000	9,200	15,700	11,200	4,100	6,000	10,900	3,300	5,300
Net gain/loss-OTHER IT JOB SEGMENTS	-1,600	-4,500	-4,200	-4,000	-2,300	-2,100	4,900	-1,200	-2,800	1,400	-300	-1,600	6,000	-400	1,300	700	600	2,500	7,200	2,600	-2,500	-500	-2,300	2,200

Key: Job gains in green
Job losses in red

Source: US Department of Labor/Bureau of Labor Statistics.
Data chart and analysis by Foote Partners LLC

FIGURE 3 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (Through October 2015)

CUMULATIVE JOB SITUATION TRENDS – IT PROFESSIONALS

Highlights for four bellwether IT jobs segments)

U.S. LABOR DEPT CUMULATIVE NET JOB GAINS/DECLINES: through October 2015								
JOBS SEGMENT	36 mos.	24 mos.	12 mos.	8 mos.	6 mos.	4 mos.	3 mos.	2 mos.
	Nov'12 - Oct'15	Nov'13 - Oct'15	Nov'14 - Oct'15	Mar'14 - Oct'15	May'14 - Oct'15	Jul'15 - Oct'15	Aug'15 - Oct'15	Sep'15 - Oct'15
Professional and Technical Services	747,200	544,200	307,200	204,600	149,100	109,600	85,700	59,100
<i>Segment 5: Management/Technical Consulting Services</i>	176,700	116,900	58,100	40,000	29,100	16,100	17,300	14,000
<i>Segment 4: Computer Systems Design/Related Services</i>	213,000	151,600	95,800	65,500	56,400	37,000	32,600	23,900
Information	42,000	20,000	30,000	22,000	13,000	13,000	6,000	4,000
<i>Segment 4: Telecommunications</i>	16,100	2,600	600	-1,800	-3,100	-1,300	-1,700	-3,300
<i>Segment 5: Data Processing/Hosting/Related Services</i>	26,000	22,000	14,800	12,000	9,000	6,200	4,000	2,700
TOTAL - ALL 4 IT SEGMENTS	431,800	293,100	169,300	115,700	91,400	58,000	56,800	37,300
IT Services segments	389,700	268,500	153,900	105,500	85,500	53,100	49,900	37,900
Tech Information segments	42,100	24,600	15,400	10,200	5,900	4,900	2,300	-600

Key: Job gains in green
 Job losses in red

Source: US Department of Labor/Bureau of Labor Statistics.
 Data chart and analysis by Foote Partners LLC

FIGURE 4 – U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (February 2008 to October 2015)

Only two years ago, the November unemployment rate was more than two percentage points higher. The fall has been faster than most economists expected, though part of the reason has been a drop in the labor force participation rate as people retire, go back to school or just give up.

The labor force participation rate measures the number of people who are working or look for a job.

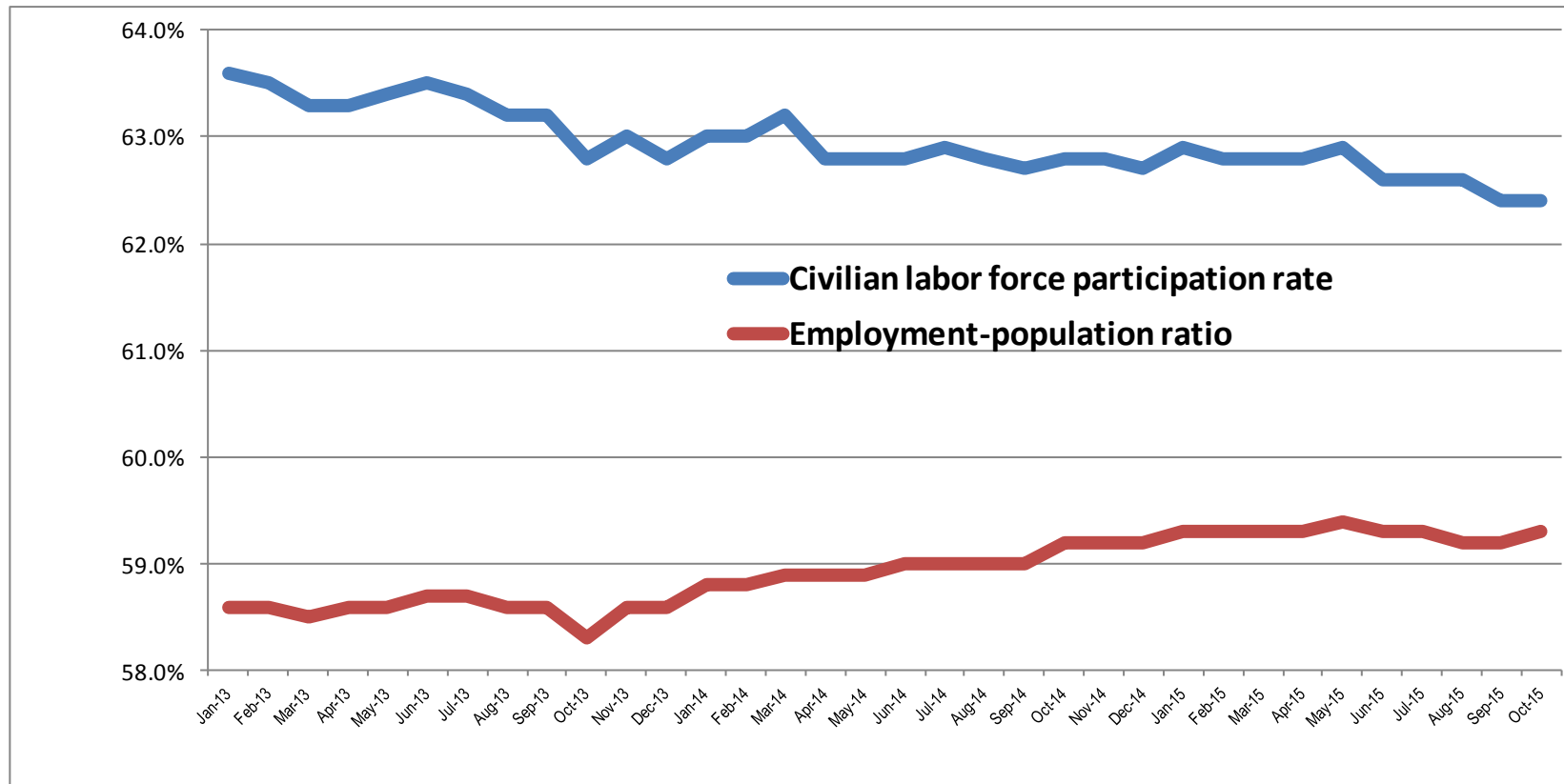
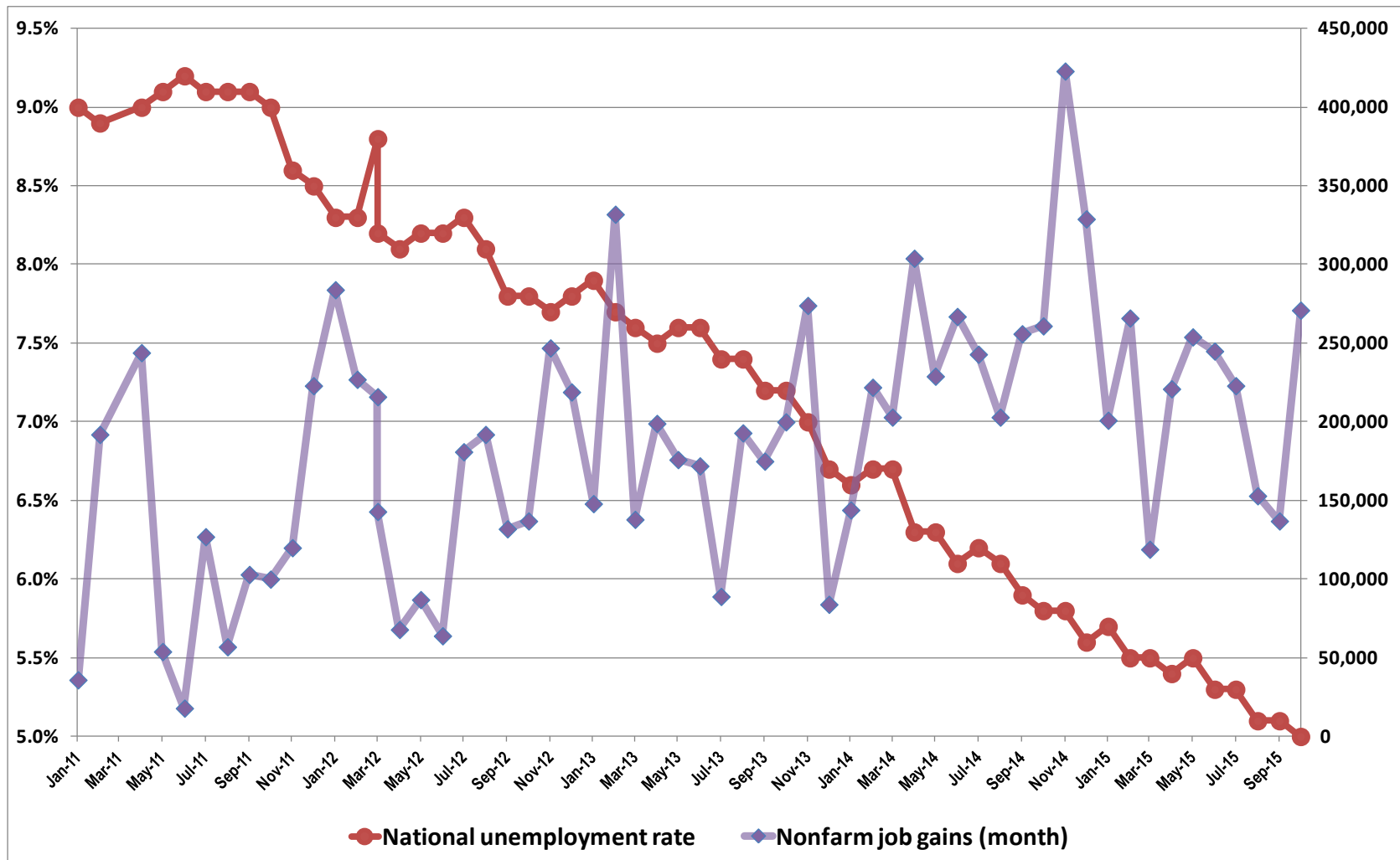
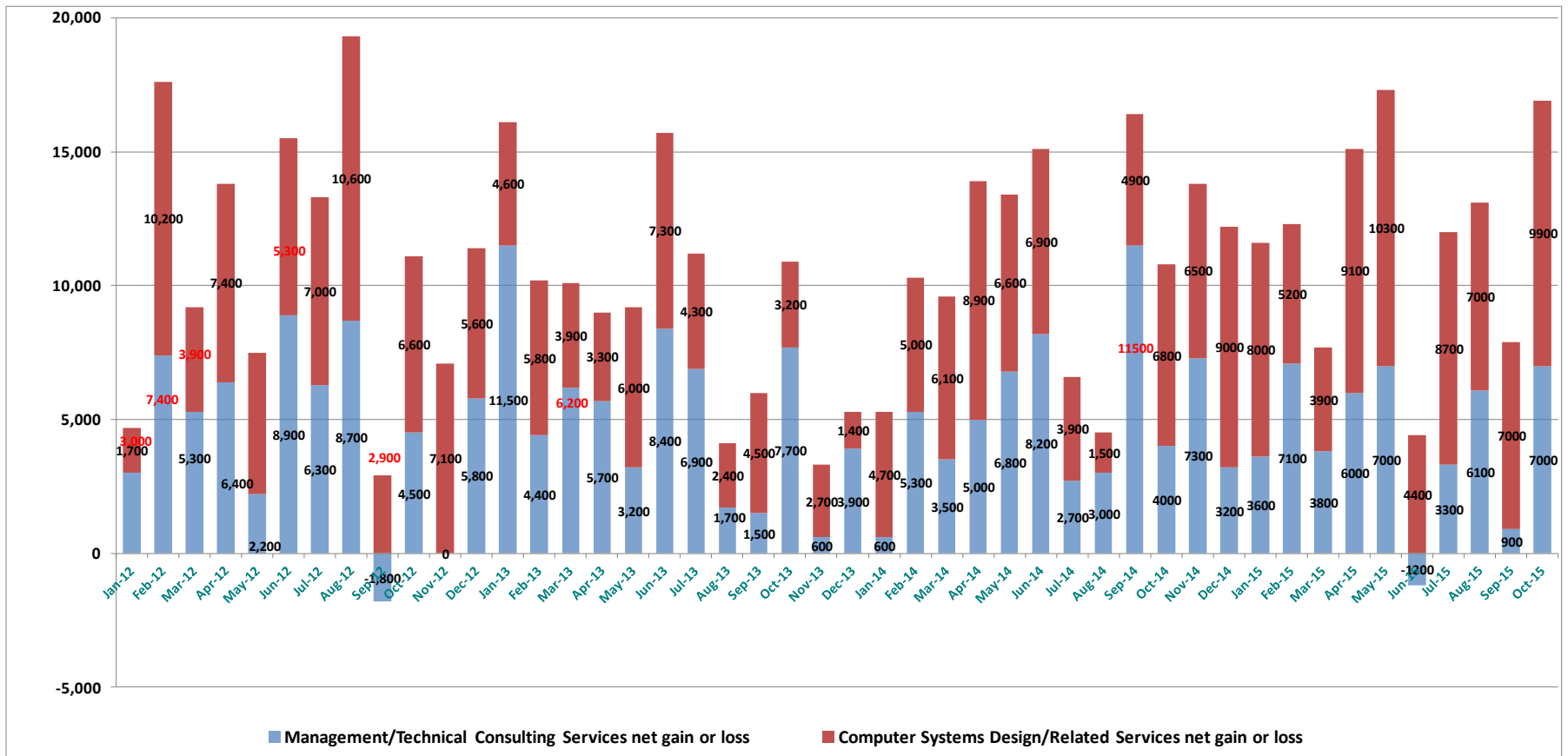


FIGURE 5 – JOB GROWTH/DECLINE - Management/Technical Consulting jobs vs. Computer Systems Design/Related services jobs
- Net job gains/losses from January 2010 through October 2015



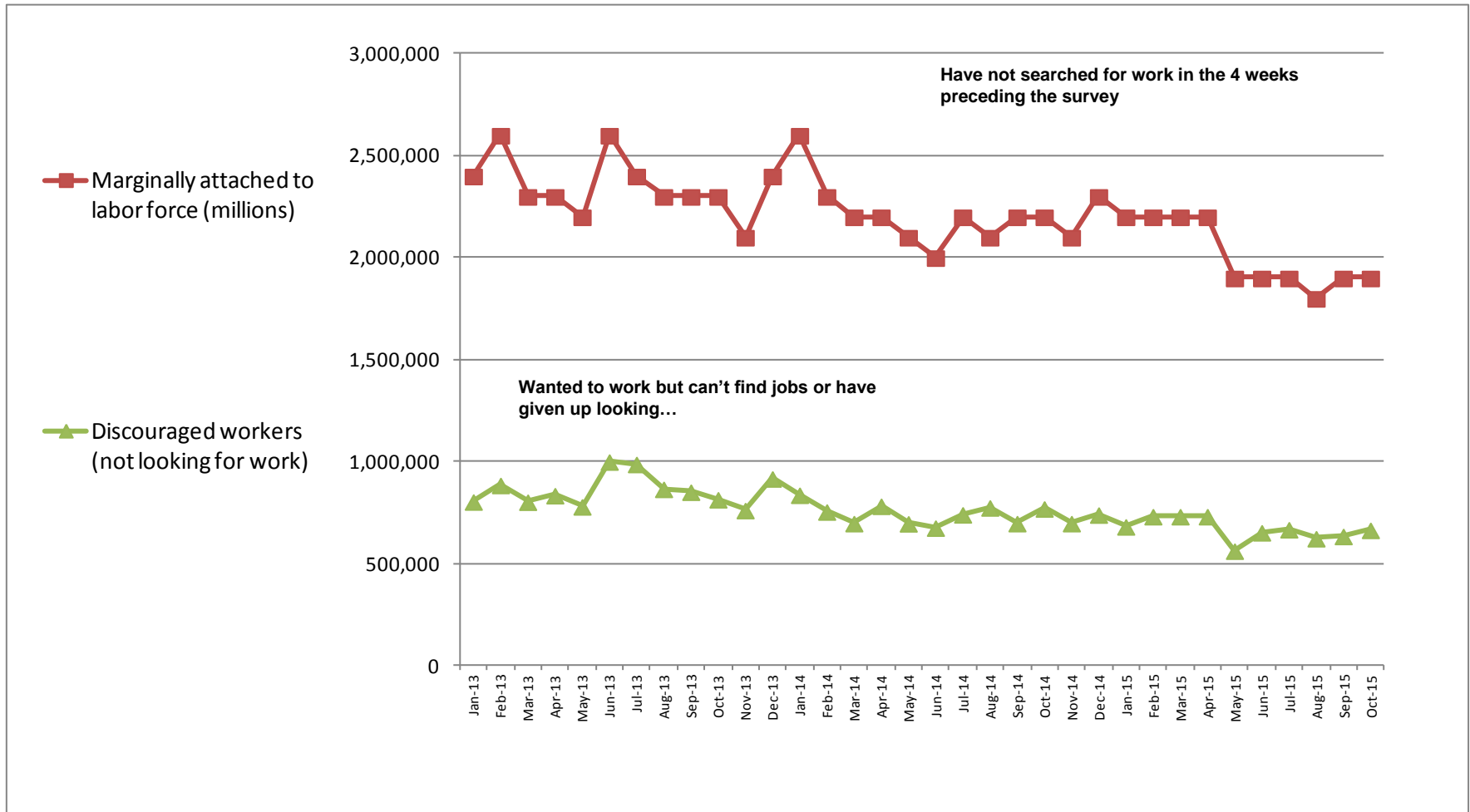
Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

FIGURE 6



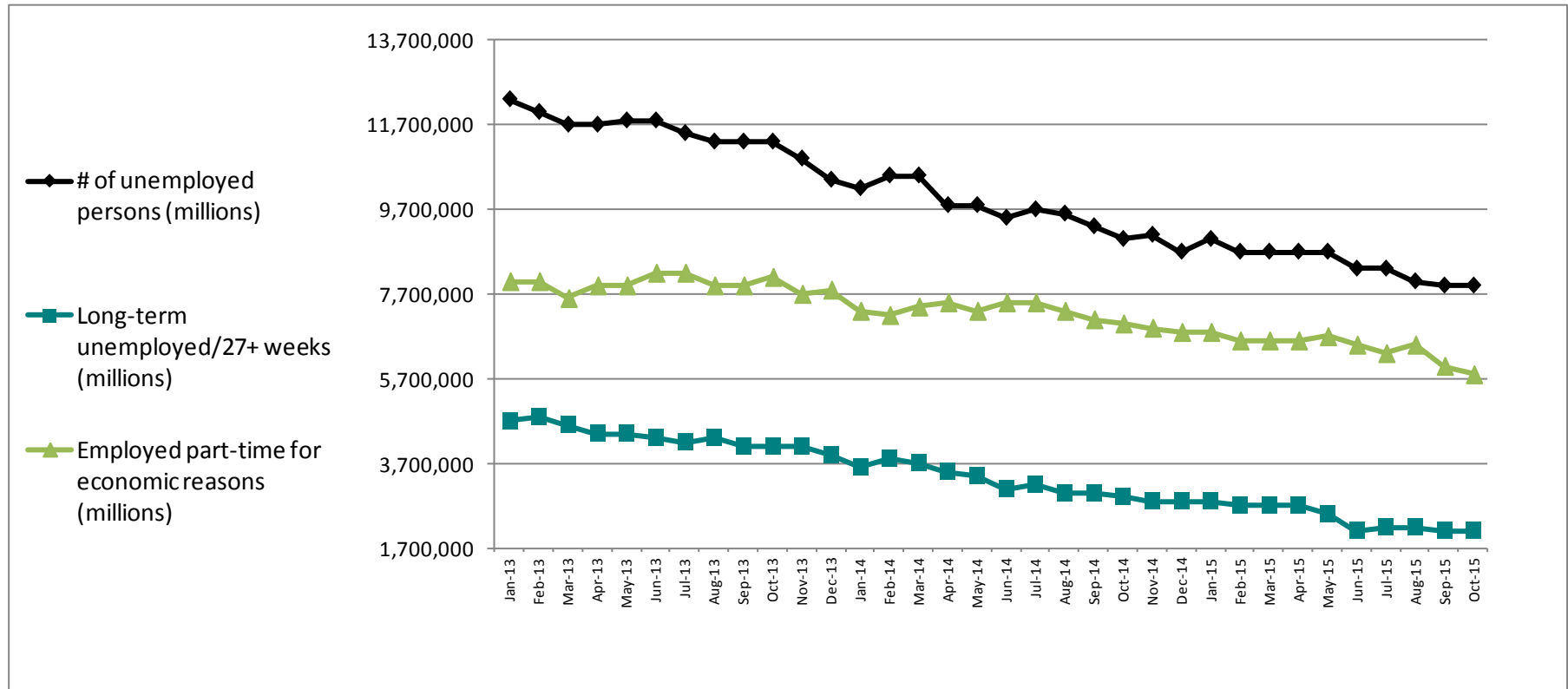
Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

FIGURE 7– LABOR FORCE COMPOSITION: Marginally attached vs. Discouraged - 2012 to 2015



Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

FIGURE 8 – UNEMPLOYED AND UNDEREMPLOYED PERSONS: Total vs. Long-Term vs. Part-timers - 2013 to 2015



Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

FIGURE 9 - U.S. Department of Labor/Bureau of Labor Statistics – Job Situation Report (Through October 2015)

KEY EMPLOYMENT STATISTICS – Last 20 Months

	Mar-14 (21 mo. ago)	Apr-14 (20 mo. ago)	Oct-14 (12 mo. ago)	Nov-14 (11 mo. ago)	Dec-14 (10 mo. ago)	Jan-15 (9 mo. ago)	Feb-15 (8 mo. ago)	Mar-15 (7 mo. ago)	Apr-15 (6 mo. ago)	May-15 (5 mo. ago)	Jun-15 (4 mo. ago)	Jul-15 (3 mo. ago)	Aug-15 (2 mo. ago)	Sep-15 (1 mo. ago)	Oct-15 (Now)
Unemployment rate	6.7%	6.3%	5.8%	5.8%	5.6%	5.7%	5.5%	5.5%	5.5%	5.5%	5.3%	5.3%	5.1%	5.1%	5.0%
# of unemployed persons	10.5 million	9.8 million	9.0 million	9.1 million	8.7 million	9.0 million	8.7 million	8.7 million	8.7 million	8.7 million	8.3 million	8.3 million	8.0 million	7.9 million	7.9 million
Long-term unemployed--27+ weeks (% of total unemployed persons)	3.7 million 35.8%	3.5 million 35.3%	2.90 million 32.0%	2.80 million 30.7%	2.80 million 31.9%	2.80 million 31.5%	2.70 million 31.1%	2.70 million 31.1%	2.70 million 31.1%	2.5 million 28.6%	2.1 million 25.8%	2.2 million 26.9%	2.2 million 27.7%	2.1 million 26.6%	2.1 million 26.8%
Civilian labor force participation rate	63.2%	62.8%	62.8%	62.9%	62.7%	62.9%	62.8%	62.8%	62.8%	62.9%	62.6%	62.6%	62.6%	62.4%	62.4%
Employment-population ratio	58.9%	58.9%	59.2%	59.2%	59.2%	59.3%	59.3%	59.3%	59.3%	59.4%	59.3%	59.3%	59.2%	59.2%	59.3%
Employed part-time for economic reasons	7.4 million	7.5 million	7.0 million	6.9 million	6.8 million	6.8 million	6.6 million	6.6 million	6.6 million	6.7 million	6.5 million	6.3 million	6.5 million	6.0 million	5.8 million
Marginally attached to labor force	2.2 million	2.2 million	2.2 million	2.1 million	2.3 million	2.2 million	2.2 million	2.2 million	2.2 million	1.9 million	1.9 million	1.9 million	1.8 million	1.9 million	1.9 million
Discouraged workers (not looking for work)	698,000	783,000	770,000	698,000	740,000	682,000	732,000	732,000	732,000	563,000	653,000	668,000	624,000	635,000	665,000

Source: US Department of Labor/Bureau of Labor Statistics. Data chart and analysis by Foote Partners LLC

ABOUT FOOTE PARTNERS

Foote Partners LLC is a Vero Beach, FL based IT analyst firm and independent benchmark research organization focusing on the human capital aspects and execution (i.e. ‘user’ versus ‘vendor’) side of managing technology and IT value creation. A thought leader and trusted advisor to more than 3,300 employers on six continents, the firm provides pragmatic and forward-thinking benchmark research and analysis about managing the modern business/IT hybrid professional workforce. Our research is deeply grounded in specialized proprietary benchmark research, surveys, and empirical intelligence collected from 2,745 U.S. and Canadian employers representing 210,000 IT professionals with whom the firm has forged long term research partnerships.

Founded in 1997 and comprised of former Gartner and META Group industry analysts, McKinsey & Company, Towers Watson, and Mercer senior consultants, and former corporate HR, IT, and business executives, the firm’s research division publishes more than 130 quarterly-updated IT decision support benchmark research products that help employers benchmark their IT professional compensation, solve difficult information technology management and workforce problems, and strengthen their ability to execute complex solutions to increasing revenues, improving profitability, and building customer satisfaction.

Foote Partners’ respected **IT Insider research series** features comprehensive and up-to-date IT salary/bonus and technical skills premium pay benchmark surveys, and IT organization and workforce trends research. Included in the quarterly **IT Insider** series are the following:

- *IT Professional Salary Survey*
- *IT Skills and Certifications Pay Index™*
- *IT Salary+Skills Pay Survey Reports™*
- *IT Professional Job Descriptions*
- *IT Insider Workforce Trends Series™ reports*
- *IT Skills Demand and Pay Trends Report™*
- *IT Skills and Certifications HOT LIST Forecast*
- *IT Skills & Certifications Volatility Index*

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